

Labour Market Notes

Unemployment rate falls

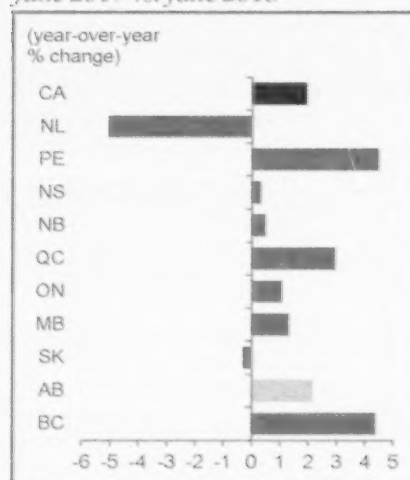
Alberta

- Job gains continue. Employment in Alberta increased by 7,500 in June. This was the ninth increase in eleven months. There were 48,900 more people employed in June than at the July 2016 low.
- Unemployment drops. The unemployment rate decreased by 0.4 percentage points to 7.4%. The unemployment rate has declined 1.0 percentage point over the last three months to reach the lowest level since April 2016.
- Strong job gains over the past year. Alberta has gained 48,500 jobs over the last 12 months, increasing 2.2%, and exceeding the Canadian year-over-year growth rate for the second month in a row.
- Year-over-year job gains in goods and services sectors. Despite declining in June, employment in the good-producing sector has increased by 10,800 compared to a year ago. The service-producing sector has seen consistent gains throughout the downturn, with employment now 37,800 higher than in June 2016.
- Transition to full-time slows. The transition to full-time employment lost ground in June as full time jobs fell 11,400. Despite the monthly change full-time has accounted for all the employment gains since the July 2016 low.
- Private sector retreats to December 2016 levels. Gains in the public sector (+18,300) and self-employment (+7,300) were partially offset by declines in the private sector (-18,100), which reversed May's gain of 17,900.
- Participation rate falls. The labour force participation rate declined 0.1 percentage points in June. Since March 2017 the participation rate has dropped from 73.1% to 72.4%.
- Earnings improve. Average Weekly Earnings (AWE) increased for the second month in a row, up 0.6% in March to \$1,126. Compared to a year ago earnings improved 0.6%, the first year-over-year increase in almost two years.

Canada

- Employment gains continue. Canadian employment increased by 45,300 in June, the seventh consecutive monthly increase. The increase was primarily due to gains in Quebec (+28,300) and BC (+19,700). Year-over-year, Canadian employment grew by 350,800, the largest gain since February 2013.
- Unemployment rate ticks down. With the employment gains, the Canadian unemployment rate fell by 0.1 percentage point to 6.5% in June.
- Canadian earnings improve. Canadian average weekly earnings (AWE) rose 0.4% month-over-month in April to reach \$971, 2.0% higher than a year ago.

Employment Growth by Province,
June 2017 vs. June 2016



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,298,600
month-over-month change	7,500
year-over-year % change	2.2%
Alberta Unemployment Rate (UR)	7.4%
Edmonton UR**	7.9%
Calgary UR**	8.0%
Participation Rate	72.4%
Average Weekly Earnings (AWE)	\$1,125.60
year-over-year % change	0.6%
Average Hourly Wage	\$19.47
year-over-year % change	0.1%
Job Vacancy Rate***	1.4%

Source: Statistics Canada

* All data is from the June 2017 Labour Force Survey, except AWE which is the April 2017 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for March 2017.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Full-time employment leading the recovery

Gains in full-time positions have become the main source of the recent employment recovery. This labour insight looks at the gains in full-time employment.

Recent strength in full-time employment

Full-time positions have accounted for all of the recovery in employment since it bottomed out in July 2016. The number of people employed full-time has increased by 55,100, while part-time employment has declined by 6,200. The increase in full-time jobs is a reversal of the trend experienced during the downturn when the number of part-time jobs increased and full-time employment declined. A

similar pattern was observed during the 2008-2009 recession (Chart 1) and it is likely the result of employers cutting back on hours and workers taking part-time jobs though they would prefer to work full-time. As economic activity recovers, full-time employment and hours have increased.

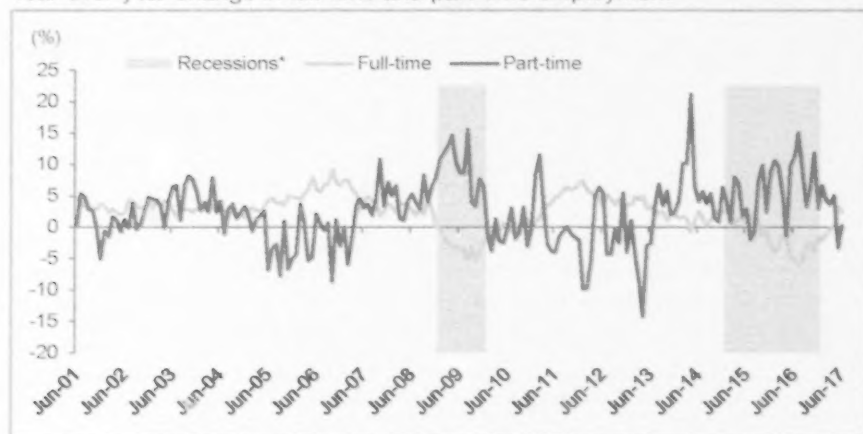
Transition to full-time

The gains in full-time employment since July have been broad-based supported by a transition away from part-time employment. Full-time positions have increased in both the goods and services sector with twelve of the sixteen industries experiencing strong improvements in full-time hiring. This transition has been most pronounced in the service industries. In particular, full-time employment has increased in accommodation and food services, and wholesale/retail trade while part-time employment in these industries has declined (Chart 2).

Goods sector has room to grow

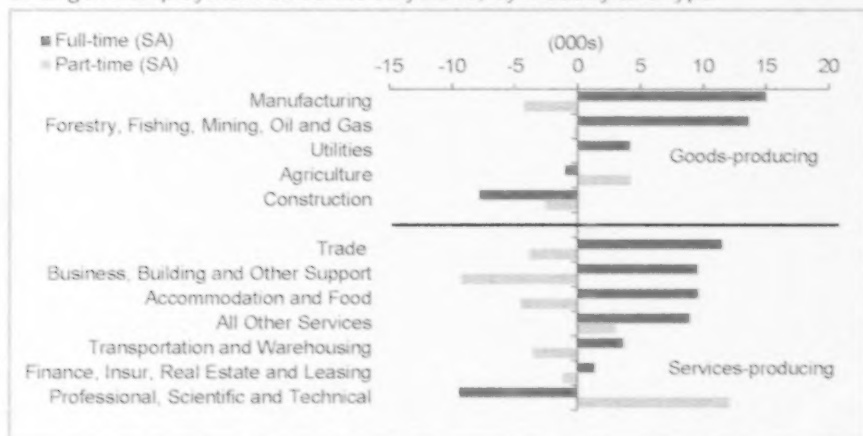
Despite recent gains, the number of people employed full-time in Alberta remains well below the pre-recession peak. Much of this deficit is due to employment in the goods sector, which is predominately staffed with full-time employees. The natural resources and manufacturing industries have recovered from their lows, but remain well below peak levels. Furthermore, the construction industry, which is the largest employer in the goods sector, experienced job losses in both 2016 and 2017 and as of June was at the lowest level in five years.

Chart 1: Full-time employment recovering
Year-over-year change in full-time and part-time employment



Source: Statistics Canada; *Calendar years when real GDP declined;

Chart 2: Transition back to full-time employment
Change in employment since the July 2016, by industry and type



Source: Statistics Canada

Contact

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